

EXHIBIT “A”



Factory Mutual Insurance Company
101 Lindenwood Drive, Suite 200
Malvern, PA 19355 USA
T: 610 296-3100 F: 610 993-3338
Direct Dial (610) 407-3470
E-Mail: Geoffrey.Varrasse@fmglobal.com

July 15, 2005

Geoffrey W. Veith, Esquire
Rogut McCarthy Troy LLC
One First Avenue - Suite 410
Conshohocken, PA 19428

Re: Onex Corporation
ClientLogic Corporation
97 Commerce Way
Dover, DE
Index No. 422456.55
Account No. 01-18497
DOL: February 17, 2003
Loss No : 00472X-03-10-01

Dear Mr. Veith:

Please accept this as my response to your request for a verification of my conclusions and recommendations concerning the valuation of the losses and damages sustained by Factory Mutual Insurance Company's insured, ClientLogic as a result of the February 17, 2003 roof collapse.

I have been employed as a property insurance adjuster by Factory Mutual for over 20 years and have substantial educational, on the job training and experience in handling large property losses for manufacturers, businesses and other commercial establishments, including warehouses and distribution facilities such as the Dover, Delaware facility involved in this loss.

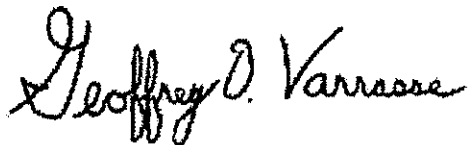
This particular loss was assigned to me sometime in late spring of 2003, a few months after the collapse. I am therefore knowledgeable about the claim handling process, including the adjustment of the insured's claim, the examination of the insured's financial books, records and claim documents and the various expenses, invoices and other cost documentation related to the collapse.

I was responsible for hiring various independent consultants to assist me in evaluating the insured's claim. Among the outside consultants I retained were LBC International, Inc., a certified public accounting firm, and Steve Burns of Callan Salvage. I sought support and documentation from the insured for various elements of the claim, reviewed the insured's submissions to determine compliance and calculated the loss based on the information provided by the insured and my independent consultants.

During the course of my work on the ClientLogic matter, I prepared periodic reports, identified in the attached table, copies of which have been provided previously or which will be provided in conjunction with this letter.

The opinions, conclusions and recommendations set forth in my final reports dated April 16 and 18, 2004, September 15, 2004 and April 27, 2005 are substantially supported, reasonably certain and true and accurate to the best of my knowledge information and belief.

Yours truly,

A handwritten signature in black ink, reading "Geoffrey D. Varrasse". The signature is written in a cursive style with a large, stylized "G" at the beginning.

Geoffrey D. Varrasse
General Adjuster
Philadelphia Adjustment Office

CLAIM



Included In this Package:

- ☐ INITIAL LOSS NOTIFICATION (1454-ILN)
- ☐ D N L CHANGE (1454-DNL)
- ☒ CLAIM PAYMENT (1454-CP)
- ☐ LAE PAYMENT (1454-LAE)
- ☐ PHOTOGRAPHS (1454-P)
- ☐ LOSS MEMO (444)

Claim ID 134685

Loss ID 34663

LOCATION DATA

Insured Name: **ONEX Corporation**

Subtitle: Client Logic

Street Address: 97 Commerce Way

City: Dover

State/Province: DE

Country: USA

Date Submitted: 27-Apr-05

Date of Loss: 17-Feb-03

Operation Center Occurred: Washington

LOSS DATA

Loss No: 00472X-03-10-01

Account No.: 01-18497

Index No.: 42256.55

Cat No.: n/a

Cat Ref #: n/a

Claims Office Handling: Washington

Account Written: Toronto

Adjuster: Varrasse

Supervisor: Wasko

HOC Coordinator: P. Meyer

EXECUTIVE SUMMARY

During a snowstorm approximately 76,000 sq. ft. of the warehouse roof collapsed damaging the insured's contents and equipment. Both the warehouse and attached office section (an additional 48,000 sq. ft.) were condemned by the State of Delaware, limiting our access to the buildings. Attached is the final Property Damage claim for payment in the amount of \$275,000 net (\$3,079,323 Gross - \$5,000 Ded. - Previous PD advances of \$2,799,323 Net (\$500,000 PD 1st Adv. - \$366,144 PD 2nd Adv. - \$488,000 PD 3rd Adv. - \$1,200,000 PD 4th Adv. Wire transfer - \$245,179 PD 4th Adv. Check)). This final PD payment will close this file which is currently in active subrogation with Outside Counsel (Hecker Brown, Sherry and Johnson)

DISTRIBUTION

EM/CC - STATUTORY FILE - Toronto (Claims Action Required) EM - Digital File

CC - WORKING FILE - Washington

EM - M. Murphy

CC - Johnston Legal (Stuart Hallagan)

EM - G. Capko

EM - Geoff Veith (Hecker Brown Sherry and Johnson)

EM - J. Elizeus

EM - B. Silvas

EM - B. Erb

EM - HOC - P. Meyer

EM - N. Grimm

EM - Division Claims - S. Abbott

EM - Division Claims - P. Meyer

THIS DOCUMENT IS INTENDED FOR USE BY FM GLOBAL EMPLOYEES AND GROUPS LISTED UNDER DISTRIBUTION. DO NOT DISTRIBUTE BEYOND THESE GROUPS.

Claim Package

Insured Name: ONEX Corporation
Loss No: 00472X-03-10-01

**LOSS PAYMENT DATA:**

☐ Click here for payments in a currency other than the policy currency

Policy Currency: US Dollars

Coverage	Payment Amount (US\$)	Payment Type	Gross Measure (US\$)	Deductible Applied (US\$)	Total Loss Net of Deductible (US\$)	Previous Payment (US\$)	FM%
PD:	275,000.00	Final Payment	3,079,323.00	5,000.00	3,074,323.00	\$2,799,323.00	100%
BI:	0.00	Final Payment	2,644,579.00		2,644,579.00	2,644,579.00	100%
EE:					0.00		100%
RI:							100%

Coverage limit applies(Y/N): N

Type of Limit:

Amt.(\$):

of Checks: 1

Combine Checks(Y/N): N

Loss Measure(Y/N): N

Claim Received Date: 14-Jan-05

Annual Agg Contribution: N

Settlement Date: 22-Apr-05

Occurrence Ded. Loss #:

No Other Insurance Date: 22-Apr-05

Salvage Completed(Y/N): Y

Settlement Auth. Obtained.(Y/N):

Estimated \$ to come: N

Settlement Auth. Obtained From:

Credit Proof(Y/N): N

Subrogation/Loan Receipt(S/L/NA): Subrogation Receipt

PAYMENT SPECIFICS

Payee for Checks: Check #1 - ClientLogic Corporation

If Final Payment is for Adjuster's Measure Secure Releases (Y/N):

If No, Explain:

Special Mailing

Instructions: As directed: Please mail to ClientLogic, Attn: Treasury Management, Two American Center, 3102 West End Ave, Suite 900, Nashville, TN 37203 Telephone Number for overnight delivery (615)-301-7100.

(Adjuster Approval)

(Supervisor Approval)

Loss/Policy Data**LOSS DATA**

State Claim Form (Y/N): N
 Tax Lien St/Pr (Y/N): N
 Tax Lien Applies (Y/N): N
 Certificate Date:
 Certificate ID No.:
 Tax Payment Amount:
 Tax Authority Address:

State Holdback (Y/N): N
 Public Adjuster: N
 Assignment Letter Date:
 Proof of Loss (Y/N):
 Name on Check (Y/N):
 If No Explain:

POLICY DATA

Policy No.: ST744 Effective From: 31-Oct-02 To: 31-Oct-03

Coverage	Policy Sheet	Location	Form / Endorsement no.	Deductible	Limit	Policy Currency
Real Property	1, 2, 5, 7, 11, 17	CL10	FMG Advantage	5,000	Blanket	US Dollars
Personal Property	32, 36, 49 and 50	CL10	Manuscript.	" "		US Dollars
Time Element	18, 20	CL10		Combined		US Dollars

Reporting Form:
 Reports Received:
 B&M Object Groups & End. Nos.:

Repair/Replace (Y/N): Y
 Date of Agreed Amt:

Annual Aggregate (Y/N): N
 Measurement Threshold:

Payback Deduct (Y/N): N
 Payback Deduct Days:

Payable Modification Comments (i.e. Hold Harmless, etc.)

Per Mark Hilson, Managing Director, Onex Corporation, May 21, 2003 letter all payments for this loss are to be made payable to ClientLogic Corporation

Special Handling and/or Policy Conditions**Brief Description of Incident**

Loss involves the collapse of 76,000 sq. ft. of warehouse space as well as 48,000 sq. ft. of office space

Claim Discussion

Attached is a negotiated claim for payment in the amount of \$275,000 net for the "Property of Others" (Phillip Morris) claim. The Insured negotiated Phillip Morris's claim from \$1,400,000 to \$824,000 and then split the difference and credited Phillip Morris \$412,000. Of the \$412,000 claimed we negotiated an agreed settlement amount of \$275,000. This accounted for the inventory in the collapsed section estimated at \$300,000 less and estimated net salvage return of \$25,000 or an agreed amount of \$275,000. The product in question was in our Insured's care control and custody. Under the working contract Onex Corp. is responsible for the replacement cost of any missing or damaged Phillip Morris product.

Payment Detail

Custom Claim Detail Sheet: ☒

PAYMENT QUALIFIER:

Cov.	Sub Code	Description	Gross Measured Amount	Applied to Check 1	Applied to Check 2	Applied to Check 3	Fringe Coverage
PD	001	PD Advance					
TE	200	BI Advance					
RI	400	RI Advance					
PD	010	Building Damage (non-fire)	200.000 00				
	012	Building Damage (fire)					
	013	Building Damage (smoke)					
	014	Building Damage (water)					
	020	Equipment Damage (non-fire)	2525678				
	022	Equipment Damage (fire)					
	023	Equipment Damage (smoke)					
	024	Equipment Damage (water)					
	030	S&S Damage (non-fire)	328227				
	031	S&S Damage (fire)					
	032	S&S Damage (smoke)					
	033	S&S Damage (water)					
	018	Debris Removal					
	005	P&PP					
	009	D&ICC					
	050	Hazardous Material Clean-up					
	051	Asbestos Clean-up					
	052	PCB Clean-up					
	053	Radioactive Clean-up					
	034	Control of Damaged Merchandise					
	040	Fine Arts					
	070	Professional Fees	25.418 00				
	071	Fire Fighting Expense					
	900	Less SALVAGE					
PD		TOTALS:	3,079,323.00	0.00	0.00	0.00	
TE	201	BI Loss	533,054 00				
	202	Expenses to avert BI	2,086,107 00				
	207	Extended period of Liability					
	208	Ordinary Payroll					
	210	Valued Form Loss					
	221	Contingent TE Loss					
	270	Professional Fees	25,418 00				
TE		TOTALS:	2,644,579.00	0.00	0.00	0.00	
EE	300	Extra Expense					
	370	Professional Fees					
EE		TOTALS:	0.00	0.00	0.00	0.00	
RI	401	RI Loss					
	402	Expense to Avert RI					
	406	Extended RI					
	470	Professional Fees					
RI		TOTALS:	0.00	0.00	0.00	0.00	
	800	Settlement of Disputed Loss					
	903	Less Recovery from 3rd Party					
	904	Less Non-FM Portion					
		TOTALS:	0.00	0.00	0.00	0.00	
Other	Fringe	Automatic Coverage					
PIMS	Fringe	Commissions, Profits & Royalties					
Info	Fringe	Deferred Payments					
	Fringe	Errors & Omissions					
	Fringe	Expediting Expense					
	Fringe	Ingress / Egress					
	Fringe	MUL Location					
	Fringe	Neighbors Recourse					
	Fringe	Service Interruption					
	Fringe	Transit					
	Fringe	Valuable Papers					
	Fringe	EDP Media					
		TOTAL Fringe Payment					

Loss Memo



Client Name	Onex Corp.	Adjuster	G. D. Varrasse
Division Name	Client Logic	Supervisor	C. P. Wasko
City, Country	Dover, DE USA	Loss Coordinator	P. Meyer
Index No.	42256 55	Ops Handling	Washington
Account No.	01-18497	Ops Written	Toronto
Date of Loss	17-Feb-2003	Loss ID	134685
Claim Peril	Collapse	Claim ID	34663
Report No.	8	Loss No	00472X-03-10-01
Date of Report	27-April-2005		

Current Reserves

Coverage Type	Currency	Gross Loss*	Deductible	Net of Deductible 100%	FM Global 100% Share
Property Damage	USD	3,084,323	2,692	3,081,631	3,081,631
Time Element	USD	2,644,579	2,308	2,642,271	2,642,271

Rate of Exchange: USD 1 = 1 USD

Comments on Reserves: Loss has been settled within the current reserves.

*Gross Loss is the client's total loss before application of deductible, but does not include loss insured by others nor uninsured loss

Previous Reserves

Coverage Type	Currency	Gross Loss*	Deductible	Net of Deductible 100%	FM Global 100% Share
Property Damage	USD	2,848,323	2,687	2,845,636	2,845,636
Time Element	USD	2,644,579	2,407	2,642,172	2,642,172

Rate of Exchange: USD 1 = 1 USD

Action Requested

Please process the attached Property Damage Claim for Payment in the amount of \$275,000 net. Support for this portion of the claim is based on inventory schedules provided by the Insured.

Onex Corp.

Date of Loss: 17-Feb-2003

Loss ID: 134685

Claim ID: 34663

Page 2

Executive Summary

During a snowstorm approximately 76,000 sq. ft. of the warehouse roof collapsed damaging the insured's contents and equipment. Both the warehouse and attached office section (an additional 48,000 sq. ft.) were condemned by the State of Delaware, limiting our access to the buildings. Attached is the final Property Damage claim for payment in the amount of \$275,000 net (\$3,079,323 Gross - \$5,000 Ded. - Previous PD advances of \$2,799,323 Net (\$500,000 PD 1st Adv. - \$366,144 PD 2nd Adv. - \$488,000 PD 3rd Adv. - \$1,200,000 PD 4th Adv. Wire transfer - \$245,179 PD 4th Adv. Check)). This final PD payment will close this file which is currently in active subrogation with Outside Counsel (Hecker Brown, Sherry and Johnson).

Adjustment Activity/Action Items

Attached is a negotiated claim for payment in the amount of \$275,000 net for the "Property of Others" (Phillip Morris) claim. The Insured negotiated Phillip Morris's claim from \$1,400,000 to \$824,000 and then split the difference and credited Phillip Morris \$412,000. Of the \$412,000 claimed we negotiated an agreed settlement amount of \$275,000. This accounted for the inventory in the collapsed section estimated in excess of \$300,000 less and estimated net salvage return of \$25,000 or an agreed amount of \$275,000. The product in question was in our Insured's care control and custody. Under the working contract Onex Corp. is responsible for the replacement cost of any missing or damaged Phillip Morris product.

Coverage

Coverage is provided via Policy ST744. The Policy appears to be an FM Global/ Aon Broker Hybrid form, with a \$5,000 deductible and a Sub-limit on Professional Fees coverage (Clause 48. Loss Adjustment Expenses).

Per Mark Hilson, Managing Director, Onex Corporation, May 21, 2003 letter all payments for this loss are to be made payable to ClientLogic Corporation. CIT Financial no longer has an interest as the Insured bought out the damaged leased copier equipment.

The Insured has advised that there is not other applicable Insurance.

Based upon a review of the Insured contract with Phillip Morris our Insured Onex Corp./Client Logic was obligated to insured the Phillip Morris Product. The stock was also in our Insured's care control and custody at the time of the loss.

Occupancy

This location is an approximately 300,000 sq ft. warehouse with call center and administrative office. The warehouse is rack and shelf storage along with a processing area. Conveying equipment is provided within the warehouse. The building is in a "C" shape with one leg built in 1994 (collapsed section) and the other two legs built in 1999. The office and call center are located in the area built in 1994.

The insured is a tenant which provides rebate and gift redemption (for purchases through clients) services for three clients (Aziba, Vivre, Altria (Phillip Morris)). Additional clients are serviced through call center operations only (i.e. no product in warehouse). The insured owns the racking, shelving and conveying equipment. Additionally, there is an item processing area where rebate documents are scanned and restocked. Insured has advised us via CAPS that the total assets for the warehouse and Office section are \$5,367,664. This location had employed 510 hourly and 90 salary employees.

Onex Corp.

Date of Loss: 17-Feb-2003

Loss ID: 134685

Claim ID: 34663

Page 3

Loss Description

On February 17, 2003 approximately 60,000 square feet of this warehouse collapsed (see attached pictures). The area of collapse was constructed in 1994. The remainder of the warehouse was built in 4 years ago (1999) and did not collapse as a result of this snowstorm event. The two story offices located in the 1999 warehouse did not collapse but suffered significant structural damage.

Access to the entire building for operations had been limited to essential personnel only (construction personnel, engineers, sprinkler contractors, etc.). The warehouse area (built 1999) became available 10 days after the date of loss. This time was needed to construct a dividing wall in order to protect the interior of the building and for restoration of building heat, power, sprinkler protection etc.

Due to the collapse and loss of the call center a portion of clients' product was diverted to the Columbus, OH location. Calls are being taken by Client Logic locations at Buffalo, NY, Huntington, WV and Ashville, NC. Only a portion of business is being made up as the Insured needed time to train new employees at these alternate sites.

Additionally, some operations and processing were being handled at a nearby Sheraton Hotel. A conference room and 5 hotel rooms had been rented until other long term locations could be found.

Cause Investigation

FTI/SEA Consulting Inc. has been engaged by Hecker Brown Sherry and Johnson to determine the cause of this loss. Snow loading due to the storm was present. The adjacent warehouse building did not collapse.

Subrogation

Possible 3rd party subrogation includes the construction company and/or the building management. This case is continuing to be investigated by Hecker, Brown Sherry and Johnson. We are working with the Insured to have them re-issue a release that the landlord and our Insured signed with regard to the rent settlement. The release is broad and needs to be narrowed to address the rents only.

Onex Corp.

Date of Loss: 17-Feb-2003

Loss ID: 134685

Claim ID: 34663

Page 4

Property Damage**PROPERTY DAMAGE SUMMARY**

	<i>Current Reserve</i>	<i>Previous Reserve / Comments</i>
Currency: USD		
Building		
Improvements and Betterments	200,000	200,000
Machinery & Equipment		
Conveyor computers office equipment	2,525,678	2,569,678
Stocks & Supplies		
Paper, Toner, files etc. + Prof. Fees	53,227+ 25,418	53,227+ 25,418
Property Of Others (Phillip Morris)	275,000	Zero
Total Property Damage	3,079,323	2,848,323
Less Deductible	2,690	2,687
Net of Deductible (100%)	3,076,633	2,845,636
FM Global Share (100%)	3,076,633	2,845,636

PROPERTY DAMAGE DESCRIPTION**Building:**

Improvements and Betterments only – Already Paid

Machinery & Equipment:

Conveyor system, computers, office cubicles etc. – Already Paid

Stocks & Supplies:

Paper, Toner, files etc. – Already Paid plus \$275,000 Property of Others (Phillip Morris) product.

Support for the Phillip Morris portion of the claim is based on inventory schedules provided by the Insured. The claim from Phillip Morris was calculated using the Physical Inventory for year ending 2002 and correcting for the various "in and outs" to arrive at the inventory value on the date of loss (\$4,408,380). From this a post loss inventory was performed to arrive at an inventory value of remaining products (\$2,956,094 total \$2,575,055 Columbus + \$381,039 relocated to Iron Hill facility). The difference between the two represented the Phillip Morris Claimed amount of \$1,452,286. From this amount various credits (\$828,286) were applied to products that were shipped back to various manufactures. The adjusted inventory value of \$824,000 already included a 2% reduction in value for normal shrinkage. From the amount agreed to inventory value of \$824,000 the Insured and Phillip Morris agreed to split the difference. This amounted to a claim of \$412,000 of which Onex agreed to credit the Phillip Morris account.

Of the amount claimed we have agreed to \$275,000 taking into account only the product that may have been in the collapsed area (estimated at \$300,000). And then taking a net salvage value of \$25,000 to arrive at our agreed to negotiated settlement of \$275,000.

Property Damage Exposures:

None.

Demolition and Increased Cost of Construction:

Leased building not applicable

Onex Corp.

Date of Loss: 17-Feb-2003

Loss ID: 134685

Claim ID: 34663

Page 5

Property Damage Loss Mitigation & Salvage:

All of the high dollar computer servers and telephone switches were removed from the office building, cleaned and returned to the Insured. \$2,348,400 was deducted from the claim.

Time Element**TIME ELEMENT SUMMARY**

	<i>Current Reserve</i>	<i>Previous Reserve / Comments</i>
Currency: USD		
Loss of Sales		
BI Value of lost sales	296,152	296,152
Additional Expenses		
Relocation expenses to avert lost sales	2,367,009	2,367,009
Profession Fees		
CAPS	25,418	25,418
Total Time Element	2,644,579	2,644,579
Less Deductible	2,310	2,407 Re-allocation of deductible
Net of Deductible (100%)	2,642,229	2,642,172
FM Global Share (100%)	2,642,229	2,642,172

TIME ELEMENT DESCRIPTION

Paid and closed

Loss of Sales

Lost revenue from call centers during period of restoration. Insured had to relocate and set-up new systems etc.

Additional Costs

Cost to relocate to other various locations

Extra Expenses

None

Time Element Loss Mitigation

To mitigate a loss of sales the Insured moved their operations to other locations.

Time Element Exposures - None

Onex Corp.

Date of Loss: 17-Feb-2003

Loss ID: 134685

Claim ID: 34663

Page 6

Payments**ADVANCES – Net amounts**

15-May-2003	\$500,000	PD 1 st Adv.		
25-Jun-2003	\$366,144	PD 2 nd Adv.	\$633,856	TE 1 st Adv.
04-Dec-2003	\$488,000	PD 3 rd Adv.	\$362,000	TE 2 nd Adv.
16-Apr-2004	\$1,200,000	PD 4 th Adv. Wire transfer	0	
18-Apr-2004	\$245,179	PD 4 th Adv. Check	\$1,411,821	TE 3 rd Adv.
15-Sep-2004	0		236,902	TE Final Payment
Totals	\$2,799,323	PD Net	\$2,644,579	TE Net

DETAILS

Payable as directed ClientLogic Corporation.

Consultants

FTI/SEA Consulting Inc. – Cause and Origin Consultant - Preliminary Budget \$5,000.
 Gilbane – Structural Engineer and Construction Consultant – Preliminary Budget \$5,000.
 LBC International - Accounting Consultant – Preliminary Budget \$50,000.
 Stone and Company, Inc. - Salvage Company – Preliminary Budget \$5,000
 Callan Salvage – inventory and salvage operations of the PCs and office equipment.

Appendices

Schedules from insured; A, B, and C

EXHIBIT “B”

MAY 05 2003

A	30046 FDID	Robbins Hose Company #1, Inc Fire Department	DE State	02/17/2003 Incident Date	Station	2003-000130 Incident Number	000 Exposure	NFIRS - 1 Basic
----------	---------------	---	-------------	-----------------------------	---------	--------------------------------	-----------------	--------------------

B Location		Census Tract
1 - Street Address Type	97 Number/Milepost	COMMERCE WAY Street or Highway
		Street Type
	DOVER City	DE State
	ENTERPRISE PL Cross street or directions, as applicable	19904- Zip Code

C Incident Type 461 - Building or structure weakened or collapsed	E₁ Dates & Times	E₂ Shift & Alarms
	Date	Time
	Alarm 02/17/2003	06:37
	Arrival 02/17/2003	06:41
	Controlled 02/17/2003	08:59
	Last Unit 02/17/2003	09:05

D Aid Given or Received	E₃ Special Studies
N - None	
Mutual Aid Code	Their FDID
Their State	Their Inc #

F Actions Taken	G₁ Resources	G₂ Est. Dollar Losses & Values
1 55 - Establish safe area	<input type="checkbox"/> Check if Apparatus or Personnel form is used	LOSSES:
	Apparatus Personnel	Property \$0
2 43 - Hazardous materials spill control and confinement	Suppression 6 0	Contents \$0
	EMS 0 0	PRE-INCIDENT VALUE
3	Other 0 0	Property \$0
	<input type="checkbox"/> Includes Aid from Resources	Contents \$0

Completed Modules	H₁ Casualties	H₂ Detector
<input type="checkbox"/> FIRE-2	Deaths Injuries	2
<input type="checkbox"/> Structure-3	Fire Service 0 0	H₃ Hazardous Materials Release
<input type="checkbox"/> Civilian Fire Cas.-4	Civilian 0 0	
<input type="checkbox"/> Fire Serv. Casualty-5		Mixed Use Property
<input type="checkbox"/> EMS-6		

J Property Use	891 - Warehouse
-----------------------	-----------------

K₁ Person/Entity	
Business name (if applicable)	302-741-8500 Phone Number
Mr., Ms. Mrs	First Name MI Last Name Suffix
Number Prefix	Street or Highway Street Type Suffix
Post Office Box	Apt/Suite/Room City State Zip Code

ECE856

30046	Robbins Hose Company #1, Inc	DE	02/17/2003		2003-000130	000	No Activity	NFIRS - 1 Basic - pg 2
FDID	Fire Department	State	Incident Date	Station	Incident Number	Exposure		

K₂ Owner

				302-674-1965	
Business name (if applicable)				Phone Number	
			DEL HOMES GROUP		
Mr, Ms, Mrs	First Name	MI	Last Name		Suffix
Number	Prefix	Street or Highway		Street Type	Suffix
Post Office Box	Apt/Suite/Room	DOVER		DE	19904-
				State	Zip Code

L Remarks

For Additional Notes. Please Run the Report Entitled "User Defined and Notes"

snow storm
 building collapse, fire department made sure everyone was out, called city to shut down water and electric to the
 entire building, Cheasapeake was called to shut the gas off to the entire building

M Authorization

227-BASHISTA, BRIAN F				02/17/2003
Officer in Charge	Signature	Position	Assignment	Date
184-OSIKA, JASON				02/21/2003
Member Making Report	Signature	Position	Assignment	Date

EXHIBIT “C”

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

FACTORY MUTUAL INSURANCE	:	Civil Action No. 05-96 JJF
COMPANY, a/k/a FM GLOBAL	:	
a/s/o Catalog Resources, Inc. d/b/a ClientLogic	:	
A subsidiary of ClientLogic Operation Corporation	:	
	:	
and	:	
	:	
THE HARTFORD a/s/o Vivre, Inc.	:	
	:	
Plaintiffs,	:	
	:	
v.	:	
	:	
EAST COAST ERECTORS, INC.,	:	
LIGHTHOUSE CONSTRUCTION, INC.,	:	
BECKER MORGAN GROUP, INC.,	:	
and O'DONNELL, NACCARATO &	:	
MACINTOSH, INC.	:	
	:	
Defendants.	:	

**AFFIDAVIT OF ROBERT B. HILL
IN SUPPORT OF EAST COAST ERECTORS, INC.'S
MOTION FOR SUMMARY JUDGMENT**

Personally appeared before the undersigned officer duly authorized to administer oaths
ROBERT B. HILL, who after first being sworn, states and deposes as follows:

1.

I am counsel of record in this action to Defendant East Coast Erectors, Inc. The facts set
forth in this Affidavit are based upon my personal knowledge.

2.

Attached hereto for convenience of reference as Exhibit "1" are excerpts from Plaintiff's
Answers to East Coast Erectors, Inc.'s Interrogatories, which are true and correct copies of those
portions of Plaintiff Factory Mutual Insurance Company's Answers to Interrogatories which were

served by Factory Mutual and Hartford counsel. Factory Mutual and Hartford's Interrogatories respond to Interrogatory No. 16 by making reference to a certain damages reports.

3.

The damages report, which is attached hereto for convenience of reference as Exhibit "2" is a true and correct copy of the original which was produced by the Plaintiffs with Rule 26 Initial Disclosures and expert reports during discovery in this action setting forth evidence of Factory Mutual and Hartford's damage claims in this action for damages to personal property, including equipment, machinery, computers, stock and supplies, conveyors, goods in inventory, and similar personal property described therein and extra expenses and business loss arising therefrom as consequential claims.

4.

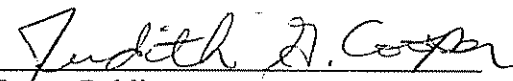
Attached hereto for convenience of reference as Exhibit "3" is a true and correct copy of the Dover Fire Department report marked ECE 856-857 produced by ECE in this action evidencing the occurrence of collapse by fire alarm at 6:37 a.m. on February 17, 2003.

This Affidavit is given in support of Defendant East Coast Erectors, Inc.'s Motion for Summary Judgment this 15 day of August, 2005.



ROBERT B. HILL

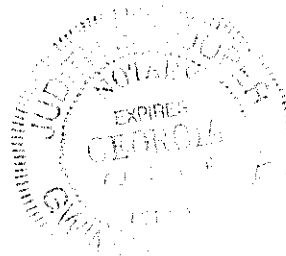
Sworn to and subscribed before
me this 15th day of August, 2005.



Notary Public

My Commission Expires: 8-21-08

19485\factory mutual\motions & orders\afd of rbh



**EXHIBIT 1 TO
AFFIDAVIT OF
ROBERT B. HILL**

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

FACTORY MUTUAL INSURANCE	:	Civil Action No. 05-96 JJF
COMPANY, a/k/a FM GLOBAL	:	
a/s/o Catalog Resources, Inc. d/b/a ClientLogic	:	
A subsidiary of ClientLogic Operation Corporation	:	JURY OF TWELVE DEMANDED
	:	
and	:	
	:	
THE HARTFORD a/s/o Vivre, Inc.	:	
	:	
Plaintiffs,	:	
	:	
v.	:	
	:	
EAST COAST ERECTORS, INC.,	:	
LIGHTHOUSE CONSTRUCTION, INC.,	:	
BECKER MORGAN GROUP, INC.,	:	
and O'DONNELL, NACCARATO &	:	
MACINTOSH, INC.	:	
	:	
Defendants.	:	

**PLAINTIFF, FACTORY MUTUAL INSURANCE COMPANY, a/k/a FM GLOBAL a/s/o
CATALOG RESOURCES, INC. d/b/a CLIENTLOGIC, A SUBSIDIARY OF
CLIENTLOGIC OPERATIONS CORPORATIONS' ANSWERS TO DEFENDANT,
EAST COAST ERECTORS, INC.'S INTERROGATORIES**

COMES NOW Factory Mutual Insurance Company a/k/a FM Global a/s/o Catalog Resources, Inc. d/b/a ClientLogic, a Subsidiary of ClientLogic Operations Corporation, Plaintiff in the above-styled action, and submits by and through its attorneys Rogut McCarthy Troy LLC, answers to the following Interrogatories pursuant to Federal Rules of Civil Procedure 33.

ANSWERS TO INTERROGATORIES

1. Identify all persons known or believed to possess knowledge or information concerning the subject matter of this lawsuit, and with respect to each person you identify, please provide a reasonable description of the knowledge or information you believe him/her to possess.

1995 Building and any other systems or objects installed or connected to the structure of the 1999 Building to the 1995 Building.

ANSWER: Plaintiff, Factory Mutual is unaware of any such drawing or documents other than those produced in the course of discovery in this matter.

15. Have you received any payments or other benefits from any insurers in connection with the collapse of the 1995 Building? If so, please state the following:

- (a) Identify all documents, including, but not limited to, payment or disbursement schedules, any assignments, loan receipts, proof of loss forms, statements, affidavits, or agreements evidencing the date, amount, and manner of each payment and benefit.

ANSWER: No. To the extent Plaintiff, Factory Mutual has made payments to its insured; those payments have been documented, identified and explained in the documents provided pursuant to Factory Mutual's Rule 26 Disclosure Statements and Factory Mutual's expert reports.

16. Please itemize with specificity each cost, expense, and other item of damage that you allege you are entitled to recover in this lawsuit. In your response:

- (a) Identify the payee and amount of each cost, expense, and other items of damage;
- (b) Identify all documents that reflect or support each cost, expense, and other items of damage, including the document number or "Bates" number.

ANSWER: The costs, expenses and other items of damage sustained as a result of the collapse and for which Factory Mutual makes claim in this lawsuit are itemized and documented

in Factory Mutual's Rule 26 Disclosure and Factory Mutual's expert reports previously supplied to defendants.

17. Do you have custody or do you know of any persons who have custody of any materials, parts, or components of the 1995 Building or the 1999 Building? If so, please state the following:

- (a) Identify each material, part, and component that has been retained;
- (b) Identify the person or party with custody of each material, part, and component;
- (c) State whether (and identify where applicable) any test, study, evaluation, or analysis has been performed or is planned to be performed for each material, part, and component; and
- (d) Identify all photographs, data, reports, calculations, memoranda, notes, log entries, correspondence, recordings, documents or other tangible evidence that exist from each test, study, evaluation, and analysis you identified in subsection (c) above.

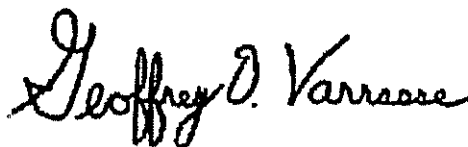
ANSWER: No. Plaintiff, Factory Mutual does not have custody and has never had custody of any such materials, parts or components or either building.

18. Identify every representative of ECE with whom you have had direct contact or communication. Your response should include the following information:

- (a) The name of your representative(s) who had contact or communication with ECE;

VERIFICATION

I, Geoffrey Varrasse, hereby Swear and depose that I am employed by Factory Mutual Insurance Company, that as such I am familiar with the facts of this matter and am authorized to take this verification for plaintiff, Factory Mutual Insurance Company, and that the information set forth in the foregoing ANSWERS TO INTERROGATORIES is true and correct to the best of my knowledge, information and/or belief. This verification is made under oath and subject to the penalties for falsification to authorities.

A handwritten signature in black ink that reads "Geoffrey D. Varrasse". The signature is written in a cursive style with a large, stylized 'G' and 'V'.

Dated: July 26, 2005

Geoffrey Varrasse

**EXHIBIT 2 TO
AFFIDAVIT OF
ROBERT B. HILL**



Factory Mutual Insurance Company
101 Lindenwood Drive, Suite 200
Malvern, PA 19355 USA
T: 610 296-3100 F: 610 993-3338
Direct Dial (610) 407-3470
E-Mail: Geoffrey Varrasse@fmglobal.com

July 15, 2005

Geoffrey W. Veith, Esquire
Rogut McCarthy Troy LLC
One First Avenue - Suite 410
Conshohocken, PA 19428

Re: Onex Corporation
ClientLogic Corporation
97 Commerce Way
Dover, DE
Index No. 422456.55
Account No. 01-18497
DOL: February 17, 2003
Loss No.: 00472X-03-10-01

Dear Mr. Veith:

Please accept this as my response to your request for a verification of my conclusions and recommendations concerning the valuation of the losses and damages sustained by Factory Mutual Insurance Company's insured, ClientLogic as a result of the February 17, 2003 roof collapse.

I have been employed as a property insurance adjuster by Factory Mutual for over 20 years and have substantial educational, on the job training and experience in handling large property losses for manufacturers, businesses and other commercial establishments, including warehouses and distribution facilities such as the Dover, Delaware facility involved in this loss.

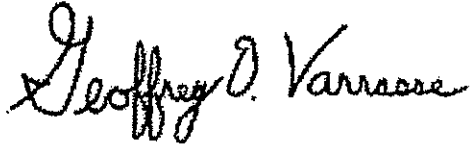
This particular loss was assigned to me sometime in late spring of 2003, a few months after the collapse. I am therefore knowledgeable about the claim handling process, including the adjustment of the insured's claim, the examination of the insured's financial books, records and claim documents and the various expenses, invoices and other cost documentation related to the collapse.

I was responsible for hiring various independent consultants to assist me in evaluating the insured's claim. Among the outside consultants I retained were LBC International, Inc., a certified public accounting firm, and Steve Burns of Callan Salvage. I sought support and documentation from the insured for various elements of the claim, reviewed the insured's submissions to determine compliance and calculated the loss based on the information provided by the insured and my independent consultants.

During the course of my work on the ClientLogic matter, I prepared periodic reports, identified in the attached table, copies of which have been provided previously or which will be provided in conjunction with this letter.

The opinions, conclusions and recommendations set forth in my final reports dated April 16 and 18, 2004, September 15, 2004 and April 27, 2005 are substantially supported, reasonably certain and true and accurate to the best of my knowledge information and belief.

Yours truly,

A handwritten signature in black ink, reading "Geoffrey D. Varrasse". The signature is written in a cursive style with a large initial "G".

Geoffrey D. Varrasse
General Adjuster
Philadelphia Adjustment Office

CLAIM



Included In this Package:

- ☐ INITIAL LOSS NOTIFICATION (1454-ILN)
- ☐ D N L CHANGE (1454-DNL)
- ☒ CLAIM PAYMENT (1454-CP)
- ☐ LAE PAYMENT (1454-LAE)
- ☐ PHOTOGRAPHS (1454-P)
- ☐ LOSS MEMO (444)

Claim ID 134685

Loss ID 34663

LOCATION DATA

Insured Name: **ONEX Corporation**

Subtitle: Client Logic

Street Address: 97 Commerce Way

City: Dover

State/Province: DE

Country: USA

Date Submitted: 27-Apr-05

Date of Loss: 17-Feb-03

Operation Center Occurred: Washington

LOSS DATA

Loss No: 00472X-03-10-01

Account No.: 01-18497

Index No.: 42256.55

Cat No.: n/a

Cat Ref #: n/a

Claims Office Handling: Washington

Account Written: Toronto

Adjuster: Varrasse

Supervisor: Wasko

HOC Coordinator: P. Meyer

EXECUTIVE SUMMARY

During a snowstorm approximately 76,000 sq. ft. of the warehouse roof collapsed damaging the insured's contents and equipment. Both the warehouse and attached office section (an additional 48,000 sq. ft.) were condemned by the State of Delaware, limiting our access to the buildings. Attached is the final Property Damage claim for payment in the amount of \$275,000 net (\$3,079,323 Gross - \$5,000 Ded. - Previous PD advances of \$2,799,323 Net (\$500,000 PD 1st Adv. - \$366,144 PD 2nd Adv. - \$488,000 PD 3rd Adv. - \$1,200,000 PD 4th Adv. Wire transfer - \$245,179 PD 4th Adv. Check)). This final PD payment will close this file which is currently in active subrogation with Outside Counsel (Hecker Brown, Sherry and Johnson).

DISTRIBUTION

EM/CC - STATUTORY FILE - Toronto (Claims Action Required) EM - Digital File

CC - WORKING FILE - Washington

EM - M. Murphy

CC - Johnston Legal (Stuart Hallagan)

EM - G. Capko

EM - Geoff Veith (Hecker Brown Sherry and Johnson)

EM - J. Elizeus

EM - B. Silvas

EM - B. Erb

EM - HOC - P. Meyer

EM - N. Grimm

EM - Division Claims - S. Abbott

EM - Division Claims - P. Meyer

THIS DOCUMENT IS INTENDED FOR USE BY FM GLOBAL EMPLOYEES AND GROUPS LISTED UNDER DISTRIBUTION. DO NOT DISTRIBUTE BEYOND THESE GROUPS.

Claim Package

Insured Name: ONEX Corporation

Loss No: 00472X-03-10-01

**LOSS PAYMENT DATA:**
☐ Click here for payments in a currency other than the policy currency

Policy Currency: US Dollars

Coverage	Payment Amount (US\$)	Payment Type	Gross Measure (US\$)	Deductible Applied (US\$)	Total Loss Net of Deductible (US\$)	Previous Payment (US\$)	FM%
PD:	275,000.00	Final Payment	3,079,323.00	5,000.00	3,074,323.00	\$2,799,323.00	100%
BI:	0.00	Final Payment	2,644,579.00		2,644,579.00	2,644,579.00	100%
EE:					0.00		100%
RI:							100%

Coverage limit applies(Y/N): N

Type of Limit:

Amt.(\$):

of Checks: 1

Combine Checks(Y/N): N

Loss Measure(Y/N): N

Claim Received Date: 14-Jan-05

Annual Agg Contribution: N

Settlement Date: 22-Apr-05

Occurrence Ded. Loss #:

No Other Insurance Date: 22-Apr-05

Salvage Completed(Y/N): Y

Settlement Auth. Obtained.(Y/N):

Estimated \$ to come: N

Settlement Auth. Obtained From:

Credit Proof(Y/N): N

Subrogation/Loan Receipt(S/L/NA): Subrogation Receipt

PAYMENT SPECIFICS

Payee for Checks: Check #1 - ClientLogic Corporation

If Final Payment is for Adjuster's Measure Secure Releases (Y/N):

If No, Explain:

Special Mailing

Instructions: As directed: Please mail to ClientLogic, Attn: Treasury Management, Two American Center, 3102 West End Ave., Suite 900, Nashville, TN 37203. Telephone Number for overnight delivery (615)-301-7100.

(Adjuster Approval)

(Supervisor Approval)

Loss/Policy Data**LOSS DATA**

State Claim Form (Y/N): N
 Tax Lien St/Pr (Y/N): N
 Tax Lien Applies (Y/N): N
 Certificate Date:
 Certificate ID No.:
 Tax Payment Amount:
 Tax Authority Address:

State Holdback (Y/N): N
 Public Adjuster: N
 Assignment Letter Date:
 Proof of Loss (Y/N):
 Name on Check (Y/N):
 If No Explain:

POLICY DATA

Policy No.: SI744 Effective From: 31-Oct-02 To: 31-Oct-03

Coverage	Policy Sheet	Location	Form / Endorsement no.	Deductible	Limit	Policy Currency
Real Property	1, 2, 5, 7, 11, 17	CL10	FMG Advantage	5,000	Blanket	US Dollars
Personal Property	32, 36, 49 and 50	CL10	Manuscript.	" "		US Dollars
Time Element	18, 20	CL10		Combined		US Dollars

Reporting Form:
 Reports Received:
 B&M Object Groups & End. Nos.:

Repair/Replace (Y/N): Y
 Date of Agreed Amt:

Annual Aggregate (Y/N): N
 Measurement Threshold:

Payback Deduct (Y/N): N
 Payback Deduct Days:

Payable Modification Comments (i.e. Hold Harmless, etc.)

Per Mark Hilson, Managing Director, Onex Corporation, May 21, 2003 letter all payments for this loss are to be made payable to ClientLogic Corporation.

Special Handling and/or Policy Conditions**Brief Description of Incident**

Loss involves the collapse of 76, 000 sq. ft. of warehouse space as well as 48, 000 sq. ft. of office space.

Claim Discussion

Attached is a negotiated claim for payment in the amount of \$275,000 net for the "Property of Others" (Phillip Morris) claim. The Insured negotiated Phillip Morris's claim from \$1,400,000 to \$824,000 and then split the difference and credited Phillip Morris \$412,000. Of the \$412,000 claimed we negotiated an agreed settlement amount of \$275,000. This accounted for the inventory in the collapsed section estimated at \$300,000 less and estimated net salvage return of \$25,000 or an agreed amount of \$275,000. The product in question was in our Insured's care control and custody. Under the working contract Onex Corp is responsible for the replacement cost of any missing or damaged Phillip Morris product.

Payment Detail

Custom Claim Detail Sheet: ☒

PAYMENT QUALIFIER:

Cov.	Sub Code	Description	Gross Measured Amount	Applied to Check 1	Applied to Check 2	Applied to Check 3	Fringe Coverage
PD	001	PD Advance					
TE	200	BI Advance					
RI	400	RI Advance					
PD	010	Building Damage (non-fire)	200,000.00				
	012	Building Damage (fire)					
	013	Building Damage (smoke)					
	014	Building Damage (water)					
	020	Equipment Damage (non-fire)	2525678				
	022	Equipment Damage (fire)					
	023	Equipment Damage (smoke)					
	024	Equipment Damage (water)					
	030	S&S Damage (non-fire)	328227				
	031	S&S Damage (fire)					
	032	S&S Damage (smoke)					
	033	S&S Damage (water)					
	018	Debris Removal					
	005	P&PP					
	009	D&ICC					
	050	Hazardous Material Clean-up					
	051	Asbestos Clean-up					
	052	PCB Clean-up					
	053	Radioactive Clean-up					
	034	Control of Damaged Merchandise					
	040	Fine Arts					
	070	Professional Fees	25,418.00				
	071	Fire Fighting Expense					
	900	Less SALVAGE					
PD		TOTALS:	3,079,323.00	0.00	0.00	0.00	
TE	201	BI Loss	533,054.00				
	202	Expenses to avert BI	2,086,107.00				
	207	Extended period of Liability					
	208	Ordinary Payroll					
	210	Valued Form Loss					
	221	Contingent TE Loss					
	270	Professional Fees	25,418.00				
TE		TOTALS:	2,644,579.00	0.00	0.00	0.00	
EE	300	Extra Expense					
	370	Professional Fees					
EE		TOTALS:	0.00	0.00	0.00	0.00	
RI	401	RI Loss					
	402	Expense to Avert RI					
	406	Extended RI					
	470	Professional Fees					
RI		TOTALS:	0.00	0.00	0.00	0.00	
	800	Settlement of Disputed Loss					
	903	Less Recovery from 3rd Party					
	904	Less Non-FM Portion					
		TOTALS:	0.00	0.00	0.00	0.00	
Other	Fringe	Automatic Coverage					
PIMS	Fringe	Commissions, Profits & Royalties					
Info	Fringe	Deferred Payments					
	Fringe	Errors & Omissions					
	Fringe	Expediting Expense					
	Fringe	Ingress / Egress					
	Fringe	MUL Location					
	Fringe	Neighbors Recourse					
	Fringe	Service Interruption					
	Fringe	Transit					
	Fringe	Valuable Papers					
	Fringe	EDP Media					
		TOTAL Fringe Payment					

Loss Memo



Client Name	Onex Corp.	Adjuster	G. D. Varrasse
Division Name	Client Logic	Supervisor	C. P. Wasko
City, Country	Dover, DE USA	Loss Coordinator	P. Meyer
Index No.	42256 55	Ops Handling	Washington
Account No.	01-18497	Ops Written	Toronto
Date of Loss	17-Feb-2003	Loss ID	134685
Claim Peril	Collapse	Claim ID	34663
Report No.	8	Loss No	00472X-03-10-01
Date of Report	27-April-2005		

Current Reserves

Coverage Type	Currency	Gross Loss*	Deductible	Net of Deductible 100%	FM Global 100% Share
Property Damage	USD	3,084,323	2,692	3,081,631	3,081,631
Time Element	USD	2,644,579	2,308	2,642,271	2,642,271

Rate of Exchange: USD 1 = 1 USD

Comments on Reserves: Loss has been settled within the current reserves.

*Gross Loss is the client's total loss before application of deductible, but does not include loss insured by others nor uninsured loss.

Previous Reserves

Coverage Type	Currency	Gross Loss*	Deductible	Net of Deductible 100%	FM Global 100% Share
Property Damage	USD	2,848,323	2,687	2,845,636	2,845,636
Time Element	USD	2,644,579	2,407	2,642,172	2,642,172

Rate of Exchange: USD 1 = 1 USD

Action Requested

Please process the attached Property Damage Claim for Payment in the amount of \$275,000 net. Support for this portion of the claim is based on inventory schedules provided by the Insured.

Onex Corp.

Date of Loss: 17-Feb-2003

Loss ID: 134685

Claim ID: 34663

Page 2

Executive Summary

During a snowstorm approximately 76,000 sq. ft. of the warehouse roof collapsed damaging the insured's contents and equipment. Both the warehouse and attached office section (an additional 48,000 sq. ft.) were condemned by the State of Delaware, limiting our access to the buildings. Attached is the final Property Damage claim for payment in the amount of \$275,000 net (\$3,079,323 Gross - \$5,000 Ded. - Previous PD advances of \$2,799,323 Net (\$500,000 PD 1st Adv. - \$366,144 PD 2nd Adv. - \$488,000 PD 3rd Adv. - \$1,200,000 PD 4th Adv. Wire transfer - \$245,179 PD 4th Adv. Check)). This final PD payment will close this file which is currently in active subrogation with Outside Counsel (Hecker Brown, Sherry and Johnson).

Adjustment Activity/Action Items

Attached is a negotiated claim for payment in the amount of \$275,000 net for the "Property of Others" (Phillip Morris) claim. The Insured negotiated Phillip Morris's claim from \$1,400,000 to \$824,000 and then split the difference and credited Phillip Morris \$412,000. Of the \$412,000 claimed we negotiated an agreed settlement amount of \$275,000. This accounted for the inventory in the collapsed section estimated in excess of \$300,000 less and estimated net salvage return of \$25,000 or an agreed amount of \$275,000. The product in question was in our Insured's care control and custody. Under the working contract Onex Corp. is responsible for the replacement cost of any missing or damaged Phillip Morris product.

Coverage

Coverage is provided via Policy ST744. The Policy appears to be an FM Global/ Aon Broker Hybrid form, with a \$5,000 deductible and a Sub-limit on Professional Fees coverage (Clause 48. Loss Adjustment Expenses).

Per Mark Hilson, Managing Director, Onex Corporation, May 21, 2003 letter all payments for this loss are to be made payable to ClientLogic Corporation. CIT Financial no longer has an interest as the Insured bought out the damaged leased copier equipment.

The Insured has advised that there is not other applicable Insurance.

Based upon a review of the Insured contract with Phillip Morris our Insured Onex Corp./Client Logic was obligated to insured the Phillip Morris Product. The stock was also in our Insured's care control and custody at the time of the loss.

Occupancy

This location is an approximately 300,000 sq ft. warehouse with call center and administrative office. The warehouse is rack and shelf storage along with a processing area. Conveying equipment is provided within the warehouse. The building is in a "C" shape with one leg built in 1994 (collapsed section) and the other two legs built in 1999. The office and call center are located in the area built in 1994.

The insured is a tenant which provides rebate and gift redemption (for purchases through clients) services for three clients (Aziba, Vivre, Altria (Phillip Morris)). Additional clients are serviced through call center operations only (i.e. no product in warehouse). The insured owns the racking, shelving and conveying equipment. Additionally, there is an item processing area where rebate documents are scanned and restocked. Insured has advised us via CAPS that the total assets for the warehouse and Office section are \$5,367,664. This location had employed 510 hourly and 90 salary employees.

Onex Corp.

Date of Loss: 17-Feb-2003

Loss ID: 134685

Claim ID: 34663

Page 3

Loss Description

On February 17, 2003 approximately 60,000 square feet of this warehouse collapsed (see attached pictures). The area of collapse was constructed in 1994. The remainder of the warehouse was built in 4 years ago (1999) and did not collapse as a result of this snowstorm event. The two story offices located in the 1999 warehouse did not collapse but suffered significant structural damage.

Access to the entire building for operations had been limited to essential personnel only (construction personnel, engineers, sprinkler contractors, etc.). The warehouse area (built 1999) became available 10 days after the date of loss. This time was needed to construct a dividing wall in order to protect the interior of the building and for restoration of building heat, power, sprinkler protection etc.

Due to the collapse and loss of the call center a portion of clients' product was diverted to the Columbus, OH location. Calls are being taken by Client Logic locations at Buffalo, NY, Huntington, WV and Ashville, NC. Only a portion of business is being made up as the Insured needed time to train new employees at these alternate sites.

Additionally, some operations and processing were being handled at a nearby Sheraton Hotel. A conference room and 5 hotel rooms had been rented until other long term locations could be found.

Cause Investigation

FTI/SEA Consulting Inc. has been engaged by Hecker Brown Sherry and Johnson to determine the cause of this loss. Snow loading due to the storm was present. The adjacent warehouse building did not collapse.

Subrogation

Possible 3rd party subrogation includes the construction company and/or the building management. This case is continuing to be investigated by Hecker, Brown Sherry and Johnson. We are working with the Insured to have them re-issue a release that the landlord and our Insured signed with regard to the rent settlement. The release is broad and needs to be narrowed to address the rents only.

Onex Corp.

Date of Loss: 17-Feb-2003

Loss ID: 134685

Claim ID: 34663

Page 4

Property Damage**PROPERTY DAMAGE SUMMARY**

	<i>Current Reserve</i>	<i>Previous Reserve / Comments</i>
Currency: USD		
Building		
Improvements and Betterments	200,000	200,000
Machinery & Equipment		
Conveyor computers office equipment	2,525,678	2,569,678
Stocks & Supplies		
Paper, Toner, files etc. + Prof. Fees	53,227+ 25,418	53,227+ 25,418
Property Of Others (Phillip Morris)	275,000	Zero
Total Property Damage	3,079,323	2,848,323
Less Deductible	2,690	2,687
Net of Deductible (100%)	3,076,633	2,845,636
FM Global Share (100%)	3,076,633	2,845,636

PROPERTY DAMAGE DESCRIPTION**Building:**

Improvements and Betterments only – Already Paid

Machinery & Equipment:

Conveyor system, computers, office cubicles etc. – Already Paid

Stocks & Supplies:

Paper, Toner, files etc. – Already Paid plus \$275,000 Property of Others (Phillip Morris) product.

Support for the Phillip Morris portion of the claim is based on inventory schedules provided by the Insured. The claim from Phillip Morris was calculated using the Physical Inventory for year ending 2002 and correcting for the various "in and outs" to arrive at the inventory value on the date of loss (\$4,408,380). From this a post loss inventory was performed to arrive at an inventory value of remaining products (\$2,956,094 total \$2,575,055 Columbus + \$381,039 relocated to Iron Hill facility). The difference between the two represented the Phillip Morris Claimed amount of \$1,452,286. From this amount various credits (\$828,286) were applied to products that were shipped back to various manufactures. The adjusted inventory value of \$824,000 already included a 2% reduction in value for normal shrinkage. From the amount agreed to inventory value of \$824,000 the Insured and Phillip Morris agreed to split the difference. This amounted to a claim of \$412,000 of which Onex agreed to credit the Phillip Morris account.

Of the amount claimed we have agreed to \$275,000 taking into account only the product that may have been in the collapsed area (estimated at \$300,000). And then taking a net salvage value of \$25,000 to arrive at our agreed to negotiated settlement of \$275,000.

Property Damage Exposures:

None.

Demolition and Increased Cost of Construction:

Leased building not applicable

Onex Corp.

Date of Loss: 17-Feb-2003

Loss ID: 134685

Claim ID: 34663

Page 5

Property Damage Loss Mitigation & Salvage:

All of the high dollar computer servers and telephone switches were removed from the office building, cleaned and returned to the Insured. \$2,348,400 was deducted from the claim.

Time Element**TIME ELEMENT SUMMARY**

	<i>Current Reserve</i>	<i>Previous Reserve / Comments</i>
Currency: USD		
Loss of Sales		
BI Value of lost sales	296,152	296,152
Additional Expenses		
Relocation expenses to avert lost sales	2,367,009	2,367,009
Profession Fees		
CAPS	25,418	25,418
Total Time Element	2,644,579	2,644,579
Less Deductible	2,310	2,407 Re-allocation of deductible
Net of Deductible (100%)	2,642,229	2,642,172
FM Global Share (100%)	2,642,229	2,642,172

TIME ELEMENT DESCRIPTION

Paid and closed

Loss of Sales

Lost revenue from call centers during period of restoration. Insured had to relocate and set-up new systems etc.

Additional Costs

Cost to relocate to other various locations

Extra Expenses

None

Time Element Loss Mitigation

To mitigate a loss of sales the Insured moved their operations to other locations.

Time Element Exposures - None

Onex Corp.

Date of Loss: 17-Feb-2003

Loss ID: 134685

Claim ID: 34663

Page 6

Payments**ADVANCES – Net amounts**

15-May-2003	\$500,000	PD 1 st Adv.		
25-Jun-2003	\$366,144	PD 2 nd Adv.	\$633,856	TE 1 st Adv.
04-Dec-2003	\$488,000	PD 3 rd Adv.	\$362,000	TE 2 nd Adv.
16-Apr-2004	\$1,200,000	PD 4 th Adv. Wire transfer	0	
18-Apr-2004	\$245,179	PD 4 th Adv. Check	\$1,411,821	TE 3 rd Adv.
15-Sep-2004	0		236,902	TE Final Payment
Totals	\$2,799,323	PD Net	\$2,644,579	TE Net

DETAILS

Payable as directed ClientLogic Corporation.

Consultants

FTI/SEA Consulting Inc. – Cause and Origin Consultant - Preliminary Budget \$5,000.
 Gilbane – Structural Engineer and Construction Consultant – Preliminary Budget \$5,000.
 LBC International - Accounting Consultant – Preliminary Budget \$50,000.
 Stone and Company, Inc. - Salvage Company – Preliminary Budget \$5,000
 Callan Salvage – inventory and salvage operations of the PCs and office equipment.

Appendices

Schedules from insured; A, B, and C